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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 1, 2016

Brad Boyter
Western Clay Company
P.O. Box 127
Aurora, Utah 84620

Subject: Conditional Approval of Amended Notice of Intention to Commence Large Mining Operations and Directive to Provide Additional Reclamation Surety, Western Clay Company, Bentonite Pits Mine, M/041/0012, Sevier County, Utah

Dear Mr. Boyter:

The Division of Oil, Gas and Mining (Division) has reviewed the most recent response, received October 6, 2016, to the Division's October 2, 2015, directive to amend the Notice of Intention to Commence Large Mining Operations (Notice) for the Bentonite Pits mine. The Division approves the amended Notice, which includes updated maps, figures, and reclamation cost estimates that reflect current operations and reclamation, as well as a specific request to expand onto School Trust Lands to the west of existing operations.

Prior to issuing final approval to begin work in the expansion areas, the Division requires that Western Clay provide:

1. **Total reclamation surety in the amount of \$738,000.00. Please provide the surety increase by January 5, 2016.** This amount is based on the reclamation cost estimate in the amended Notice. The current reclamation surety held by the Division for the Bentonite Pits mine is \$454,000. Please contact Penny Berry at 801-538-5291 or by email at pennyberry@utah.gov for new reclamation surety forms that may be needed.
2. A second copy of the complete and corrected plan. When final approval is issued, one copy will be stamped approved and returned for your records.

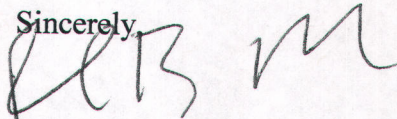


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The Division also approves the release of regrading liability associated with the North Sheep Trail pit. No reclamation surety is being released since the total required reclamation surety amount exceeds the current amount.

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at 801-538-5261 or Peter Brinton at 538-5258.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker', followed by a stylized flourish.

Paul B. Baker
Minerals Program Manager

PBB:pnb:pb

cc : Andy Bedingfield, SITLA (ML-1937) (abedingfield@utah.gov); TKK Farms, 615 W. Main St., Salina, Utah 84654
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